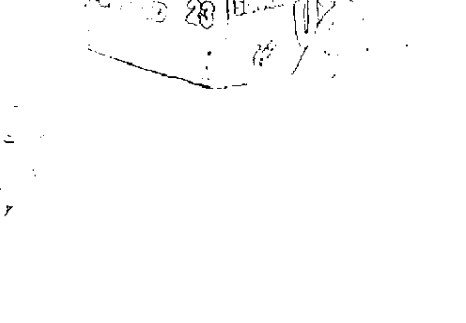
M A R C H 1 9 9 4

1994 Focus on Earnings

Washington March Huge Success

THE TRADITION OF CHAMPIONS



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MEMO

The Human Side

There seems to be an almost obsession with the anti-tobacco forces in our society to pressure elected officials, government agencies, and even private enterprise to restrict the distribution, advertising, and consumption of our products.

They have the support of a biased media which offers prime-time news coverage to anyone who initiates negative publicity against us. Our side of the issues rarely is presented fairly to the American public.

Just a few weeks ago, we launched a tremendous show of industry solidarity against the proposed F.E.T. increase at our nation's Capitol. Employees from the major manufacturers, their families and friends, and industry supporters from all walks of life assembled to march down Pennsylvania Avenue from the White House to the Capitol Building to meet with our legislators. We came as proud Americans, proud of our industry and proud of our rightful place as contributors to the economic well-being of our nation. We came to save jobs—not just tobacco-related jobs, but jobs threatened in businesses everywhere by a severe excise tax increase.

Our sole purpose was to raise our concerns to members of Congress, courteously and with respect for the dignity of the office they hold. We made a good impression with our arguments against any further cigarette taxes.

We made another impression, I believe, on the American public. Because this time, the news media could not ignore our presence in Washington or the message we were delivering. On the evening news, our fellow citizens across the country saw people just like themselves—hard-working people, marching to protect their part of the American dream. They saw the human side of our industry.

I want to thank everyone who was with us in Washington, either in person or in spirit, and I ask for your continued effort to help bring our message to your elected officials, customers, and friends.

Sincerely,

Yancey W. Ford, Jr.
Executive Vice President—Sales

On the Cover:
Scenes from the 1994 National Sales Conference.

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Sales Regions Join Washington March

The Washington Rally on March 9 attracted 20,000 tobacco supporters and a total of 6,300 RJR employees and their families.

Well-represented in the RJR contingency of marchers were about 450 sales representatives and managers from six regions, who joined their Winston-Salem-based sales and marketing associates to protest a proposed 75¢ Federal Excise Tax increase on cigarettes.

They came from as far as Youngstown, Ohio, Pittsburgh and Harrisburg, Penn., in the Pittsburgh region. And from divisions in the N.Y. metro and Hartford, Conn., regions. Almost the entire Winston-Salem, Philadelphia, and Washington, D.C., regions turned out to brave bone-chilling March weather to help save industry jobs threatened by the tax increase. They came in chartered buses or car pools organized and funded by sales employees.

And they didn't come alone. Many of the divisions invited key retail and wholesale customers to ride with them. The N.Y. metro region's buses included smokers' rights activists. Some of the direct accounts contributed toward the cost of the bus charter or provided food and beverage for the marchers.

In the vast crowd assembled for a rally at the Elipse and on the march to the Capitol Building, Philip Morris also was well-represented by 7,000 employees including, no doubt, people from their sales divisions. So, on this day at least, RJR and PM sales people were in complete harmony with each other—brought together by a common foe: unfair taxation of a product they sell for a living.

It was a very successful endeavor by all who participated and a proud day for our industry.

continued on page 9

▲ March to the Capitol

◀ Senior Chain Account Manager Jim Morris, Philadelphia (left), is greeted by [illegible] vice president [illegible]

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NATIONAL SALES CONFERENCE

Region Meetings Target Earnings

If there was one identifiable thread woven through the fabric of the National Sales Conference, and in [illegible] meetings, it was earnings.

The National Sales Conference, held in Winston-Salem on January [illegible], set the tone for 1994 with its theme—"Winning Again, the Tradition of Champions"—and its emphasis on retail selling effectiveness as the means to achieve the company's target of $1.4 billion in operating company contribution.

Vancey Ford, executive vice president, sales, explained to the group that "Winning Again" implies winning on a different scoreboard, a scoreboard that shows profitability and earnings growth." He told the managers that the need to become the most profitable company in the business. "If we are the most profitable," he said, "higher earnings will increase the value of our stockholder's investment, maintain employment and benefits for our employees and fund the programs [illegible]

About 300 field sales [illegible] and their Home Office [illegible] ates heard the underly[illegible] ing theme of earn[illegible] ings in all pre-[illegible]

[illegible] by executive management, and [illegible] where the 1994 [illegible] agendas were [illegible] cussed. Even the subject descriptions for the breakout sessions had the ring of [illegible] operations efficiency, profit effectiveness, promotion effectiveness.

Indeed, the focus in the conference [illegible] [illegible] Ford talked about the [illegible] remarks where he reminded [illegible] [illegible] he [illegible] only [illegible] progress." He discussed in detail the evolution of the Grand Plan.

[illegible] one-size-fits-all approach to retail marketing. As Ford [illegible] the sequence of events after the 1990 Boston/Arcadia Specified Marketing test, he compared the company's progress toward decentralization to a [illegible] [illegible] of the company's business.

[illegible] Ford explained the Arcadia [illegible] Marketing was expanded to five additional regions [illegible]

A fond farewell. Vancey Ford [illegible] years of combined service of retirees [illegible] attending the last National Sales Conference. Acknowledging a standing cheering ovation from their peers are (to Ford's left) Larry Birlin, area vice president, Mid-Continent Sales Area, and Region Manager Clay Lambeth, Pittsburgh, Pa.; Barney Sanford, Indianapolis, Ind.; Regis Dodson, Dallas, Texas, and Manny Funes, San Antonio, Texas.

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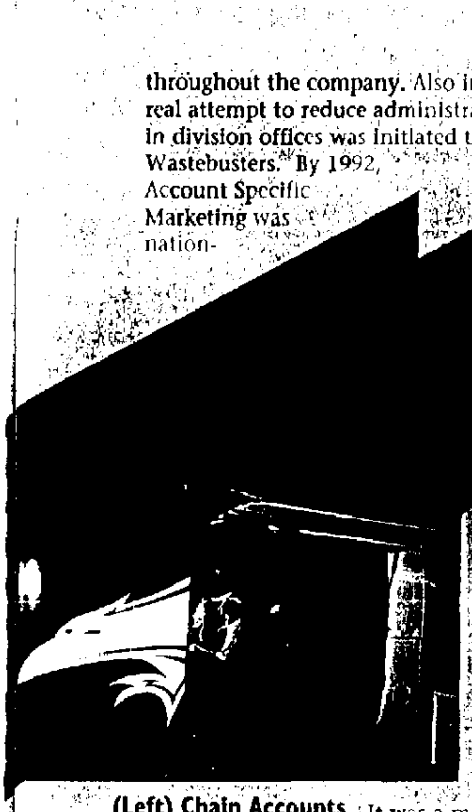
$1.4 BILLION

throughout the company. Also in 1991, the first real attempt to reduce administration overload in division offices was initiated through Wastebusters. By 1992, Account Specific Marketing was nation-

keting and trade programs; becoming co-marketers with retailers; and taking decisive action to increase our business wherever the opportunity arises.

The reality of what profitable volume, increased earnings, and a $1.4 billion operating company contribution means to RJR Tobacco was enthusiastically accepted at the National Conference and by participants in region meetings across the country. Part of the enthusiasm is certainly due to how the $1.4 billion goal relates to the SIAP Program in 1994. Everyone can substantially increase their personal profit when we reach $1.4.

Everyone has an opportunity to earn a share in the vision to be the most profitable company in the business. It's part of the Grand Plan.



(Left) Chain Accounts Manager Paul Stromgren, Des Moines, Iowa, chain, and Division Manager Dennis Dillard, North Pittsburgh division, ride the Winston Simulator provided by Sports Marketing.

wide and the sales force was expected to respond to the challenge—"It's Your Call"—at retail with complete authority to decide what promotions and POS to work in each call and what brands to display. It was a milestone on the road to decentralization.

In 1993, decentralization was escalated with the establishment of region operations units and the reorganization of regions to 24 and sales areas to four. The operations units became the administration arm of the sales organization, allowing division managers more time to work with their people.

With that background, Ford characterized 1994, "as a year we sell for profit in all dimensions of our business." He called on the sales force to pay attention to crisp execution at retail, concentrating on profitable volume; making good investments with our mar-

Winning AGAIN

THE TRADITION OF CHAMPIONS

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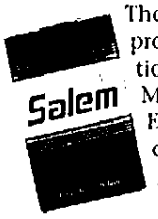
NEWS FROM THE BBUs

The following BBU news articles were prepared by the sales planning managers assigned to the Brand Business Units. They are: Sharon Reid, sales planning manager, Salem, Vantage, More, Now BBU; John Ellegate, sales planning manager, Winston, Camel BBU; and Bill Duffy, sales planning manager, Savings BBU.

Salem/Vantage/More/Now



The focus for 1994 is on profitable franchise retention for Salem, Vantage, More, and Now. Effective relationship direct marketing programs are an important part of this effort.

Each mailing will reach a significant base of our adult franchise smokers and will accomplish the following objectives.

First, they will create an ongoing dialogue with adult franchise smokers. Second, they will reinforce brand loyalty and continued purchase. And, third, they will maximize program profitability. Often, the sales force is asked by adult smokers of our Salem, Vantage, More, and Now brand styles when we are going to promote these brands at retail as we do our Winston and Camel brands. Now, you have the opportunity to include these loyal customers in direct marketing promotions. You can do so by asking them to call the 800 number on their RJR pack and request to be included in the brand direct marketing programs. Or, you can use the non-coupon Consumer Mission card (Commodity #408113) to include them in future mailings. These cards are available for order.

Our franchise direct marketing programs will become more effective as we add names to the list and update information on adult smokers already in the system. By being responsive to Salem, Vantage, and More adult smokers, and with your help in adding names to the list, we will create a win/win situation for our loyal adult smokers and for RJR.

Camel/Winston

1994 is an important year for the Camel brand. In 1993, it played a somewhat secondary role as Winston and Winston Select shouldered most of the burden against Marlboro during the price war. Now is the time to get Camel back on track.

The Collector's Pack Promotion and your first quarter price point promotional efforts are already contributing to an improving shipment trend for Camel in 1994. Yet these minor gains must continue and grow.

From all indications, the Collector's Pack product is moving well, especially in certain calls. We have received numerous comments about both franchise and competitive adult smokers saving individual Collector's Packs and sometimes even entire sets. The Collector's Pack display also appears to be a hit. The retail life of this display should be prolonged by using it as a home for B2G1Fs, price point promotions, Cash V Joe's Place catalogs, standard product, and perhaps a future series of Collector's Packs.

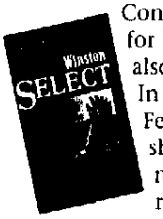
The March B2G1F, the April Special Lights B2GF Joe's Place tumbler, the excitement behind Smokin' Joe's Racing Team, the February launch of Cash V Joe's Place—The Catalog, and several additional second half 1994 programs should help to continue Camel's growth, which is critical in 1994.

It is extremely important to use these promotions to build Camel's volume by ensuring that they are prominently displayed in the right calls, in the best possible location, featuring the best opportunity styles. For example, Camel base styles—filters and Lights box styles—appear to be the growing brand of choice among 21- to 25-year-old adult smokers. These smokers seem to have established a taste preference for the richer, more satisfying flavor of these Camel styles.

Where they are showing movement, Wides and Special Lights should also be featured. Camel Special Lights may have its best opportunity with the 25+ smoker who has an established taste preference for the lighter, milder "Marlboro Lights" type taste. (It is particularly important to keep these taste preferences in mind when conducting Consumer Mission offers.)

These same opportunity styles should be featured on-going in permanent and/or temporary displays with pricing communication, whether it is the new lower everyday price or a flighted price point.

By keeping Camel front and center at retail, we should be able to continue its growth throughout 1994.



Continuing growth for Winston Select is also critical in 1994. In January and early February, Select showed good movement at retail—thanks to the B2G1F, improvements in out-of-stocks, and brand visibility at point-of-purchase. However, recent trends indicate a substantial slowdown in Select's movement. We cannot afford to let these recent trends continue.

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From now until May, the majority of Select's support will come through price point promotions. Therefore, it is essential that Select be prominently displayed at retail, in permanent and/or temporary displays with price communication, to maintain consumer awareness of an interest in this brand. With today's new lower price levels, a temporary display advertising the low everyday price is one simple, yet effective, way to keep Select visible.

In May, Winston will launch the Select Weekends Continuity Program, which will be supported with the May/June B2GF Select Can Cooler Promotion. These promotions, along with the other second half 1994 Select programs, should be targeted into those calls where Select is demonstrating the best opportunity for competitive conversion.

Camel and Select are the company's top priorities in 1994. By keeping this in mind each time you make your calls this year and ensuring customers get that message when they walk into your calls, Camel and Select will be well-positioned to show continued growth. The key to making our 1994 goals on these brands will be to keep both Camel and Select highly visible in permanent and temporary displays throughout 1994.

Savings

As previously stated, the company's top two brand priorities in 1994 are Camel and Winston Select. In managing our portfolio of brands, however, we all know that our Savings brands also play an important role in RJR's contribution to earnings. The battle at retail is where we win or lose when implementing our Savings strategies. Out-executing our competitors determines our success. By setting superior standards to our competition at retail, then implementing these standards, adult consumers have the best opportunity to notice our brands and promotions above the retail clutter.

So what are these "superior standards"? In its simplest form, superior standards means positioning our priority brands at retail so the adult consumer sees our brand as the dominant player in the store. To accomplish this objective, we first have to look at the call from the eyes of the adult consumer. What do they see when they walk into a call to make their purchase decision? If our brand(s) are clearly the focus above our competitors', we have established the superior standard in the call.

In striving to establish your superior standards at retail, there are four tactics which will maximize your success. The four "P's" as they are called are:

Presence
Ensuring our presence in-store is in the primary focal and selling areas and is superior to our competitors. Increased usage of temporary displays with quality signage will significantly impact presence.

Price
Implement strategies based on your priorities to be competitive with key competitor brands in-store.

Price Communication
In-store communication of price—promoted and nonpromoted—should be superior to key competitors. Larger signs and larger pricing than competition can make that impact.

Positioning
Our brands should be positioned to give adult smokers a choice next to key competitors. If the number one position cannot be obtained due to contractual agreements, be right there with displays that have more "pop." Challenge your retailers to place all of your displays (permanent and temporary) in the best possible position to the consumer!

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OPEN LINE

Comment

To save merchandising costs, develop a computer program to track merchandising shipped to accounts. This could alert the region operations unit to excessive overspending by an account and prevent over-racking.

Reply

A program (*Report #501—Reporting of Merchandising Fixture by SIS Account #*) currently exists in the Merchandising Management System (MMS) that tracks shipments to an account. This report shows the account name and volume, and lists all components shipped along with the appropriate cost. MMS is a function under marketplace initiatives and can be accessed via the TPXN menu.

Comment

We need to have more promotions for our core brands like Winston, Salem, and Camel Special Lights. We need to move volume, and that is the reason we require promotions on all of our core brands.

Reply

Our co-marketing program will allow you to promote our core brands where opportunities exist. However, our resources are limited and we must continue to focus on our priorities — Select and Camel. Profitable volume, not volume for volume's sake, is the key to achieving our 1994 financial goal.

Comment

If we had number kits for our open/close business hour signs, we could eliminate one binder in our vehicles by leaving the kits with retailers to change the signs as they need to.

Reply

At one time, we did supply kits to retailers for several of our permanent pieces, such as business hours signs, ground mounts, etc.; however, it seems retailers could never find the kits when they needed them. We wasted a lot of money. Our 1994 business hour signs utilize the new "digital 8" pricing system and require no fonts. So, the one binder you mentioned will be eliminated, unless you need to use the fonts for 1992 or 1993 signs still in your inventory.

Comment

Our Winston and Camel lighted window signs require two very expensive fluorescent tubes that die quickly. In future production, could we use standard tubes to reduce costs?

Reply

The special fluorescent tubes are the secret to the brightness of the magnalite signs and cannot be duplicated with standard tubes. We've had some problems with these tubes, but hopefully it has been corrected in 1994 production. In any case, replacement tubes are available for order. Contact the materials coordinator in your region operations unit.

Comment

We could use full-price folded shelf strips for retail shelving.

Reply

This item is part of an arsenal of co-marketing accrual POS we are currently developing. They will be available very soon.

Comment

Displays should be sent automatically with premiums to be worked in each assignment. This seems more logical than each sales representative ordering their own displays.

Reply

You're assuming that all premiums are placed in temporary displays. Many are still used in permanent promotion platforms. A sales representative is in the best position to determine where he/she will place the premiums and then order display materials accordingly.

Comment

A format should be established for coding all correspondence which would help in the distribution of mail at the region operations unit. Scanning mail should be easier than reading the entire document to determine the subject matter and who needs to see it.

Reply

In the near future, we intend to begin coding correspondence to direct it to a specific coordinator in the region operations unit. This should save considerable time in sorting mail.

Comment

I understand that the reason for the region operations unit is to alleviate administrative duties for managers, so they are able to be in the field on a more frequent basis. Basically, though, administrative duties—ordering POS, fixtures, displays, etc.—have been passed down to the sales representatives, doubling their work.

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Reply

The region operations unit is responsible for handling virtually all of the administration for the divisions they support. This is the goal. However, you must realize that the operations units are just getting started. Some of the people are new to the company and all are learning new jobs. Some are ahead of others in assuming the full scope of their responsibilities. With time and a little patience, all will be up-to-speed and fully capable of ordering the materials you need.

Comment

I was wondering how we are going to get the POS needed for Savings brands. The hand-held only updates POS needed for full-price brands.

Reply

Currently, Savings brand POS will be ordered and shipped to you by the region operations unit. Quantities will be based on past usage patterns. We are working on adding Savings brand POS to the POS system in the hand-held.

Comment

It would be a good idea to add 20% to our hand-held POS updates. This extra POS is needed for part-time placement.

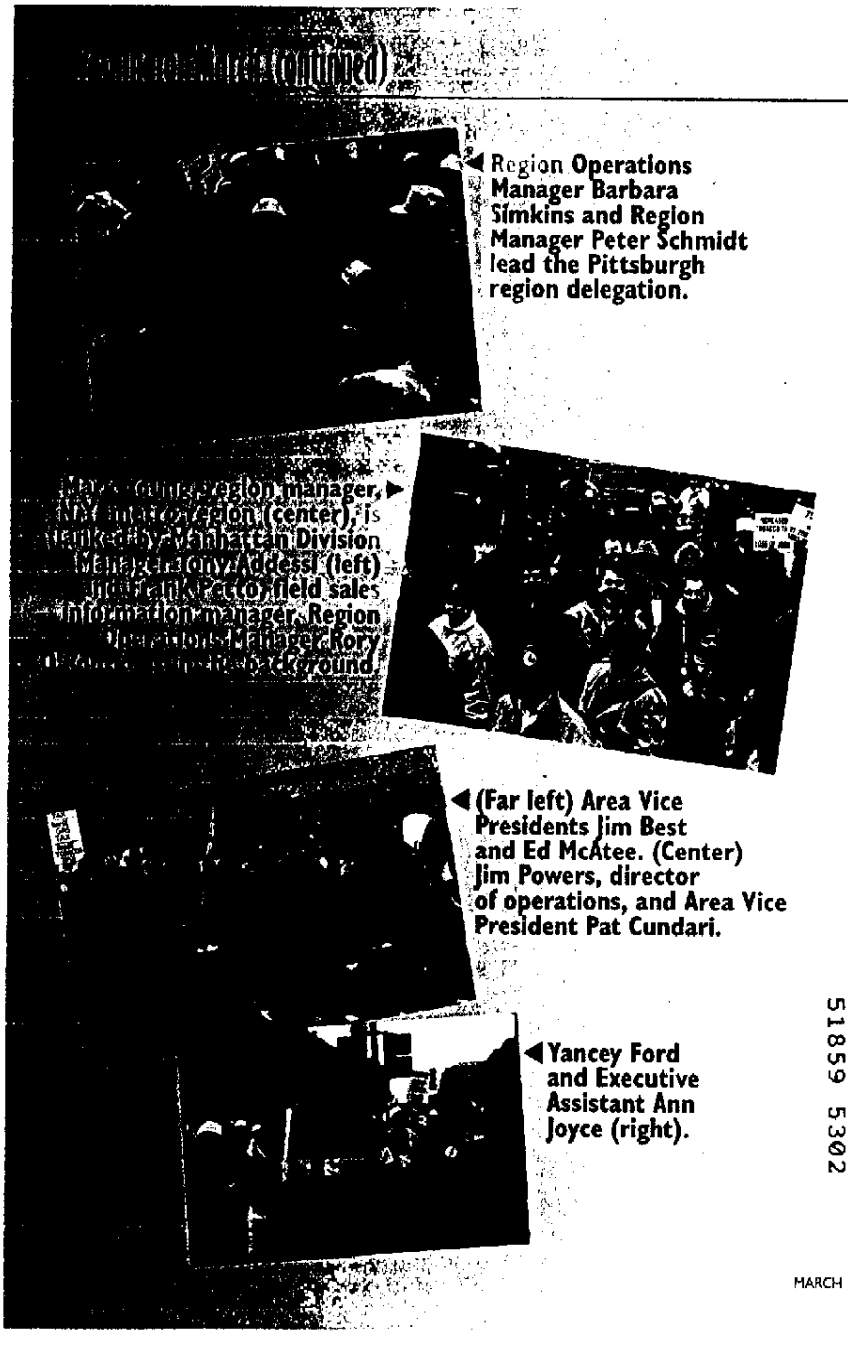
Reply

When we pack items in your POS kits, an extra amount will be included to supply part-time help.

Consumer Response

Several large restaurant chains have initiated a no-smoking policy in all or part of their restaurants nationwide. If you wish to express your opinion on their policy, you can do so by calling their national headquarters.

Arby's	1-800-592-6245 (toll free)
McDonald's	1-708-575-3000
Taco Bell	1-800-TACO-BEL (toll free)



◀ Region Operations Manager Barbara Simkins and Region Manager Peter Schmidt lead the Pittsburgh region delegation.

Mary Gunn, region manager, [illegible] region (center), is flanked by Manhattan Division Manager Tony Addessi (left) and Frank Petito, field sales information manager. Region Operations Manager Rory [illegible] background.

◀ (Far left) Area Vice Presidents Jim Best and Ed McAtee. (Center) Jim Powers, director of operations, and Area Vice President Pat Cundari.

◀ Yancey Ford and Executive Assistant Ann Joyce (right).

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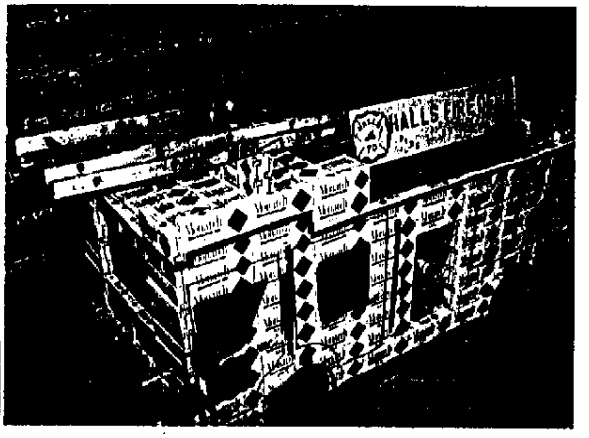
Source: https://www.industrydocuments.ucsf.edu/docs/tqfn0000

ON TARGET

Kansas City Blazes With Monarch Presence

Special Accounts Manager Dean Brendel, of the Kansas City chain division, has blazed tremendous presence for RJR's Monarch brand in two popular store chains.

In the 25-store Halls Food Mart chain, the Savings segment was significantly over developed; with Monarchs being only "a bit player." Targeting his resources and ingenuity, Brendel came up with a creative solution.



RJR presence in Kansas City creates "alarm" for Monarch competitors.

Not only did he boost Monarch's presence, but he created excitement for store personnel by initiating "The Most Creative Store Display" contest. Each store was asked to build a display to generate Monarch awareness. First, second, and third place awards were given.

Since the contest began, Halls Food Mart chain stores report that Monarch sales have skyrocketed.

At the 16-store Rocor U-Do chain, Brendel introduced a two-phase program designed to build awareness and increase sales. The initial phase was a B1G1F to create trial. Once the B1G1F sold through, he began a six-week contest where stores competed to sell the most Monarchs. To maintain top-of-mind awareness, the supervisors of the winning stores were also recognized. At the end of the six-week contest, Monarch was selling where it had never sold before; and, more than 8,900 cartons of product had been purchased.

Sweeny, Caniff Jam at the Jamboree

Area Sales Representative J.P. Sweeny and Part-time Promotional Specialist Sharon Caniff, of the South Pittsburgh, Pa., division, jammed to the tune of "winning again" at the annual Jamboree In The Hills Festival, located in Southeastern Ohio.

This Super Bowl of country western music attracted record crowds this year with more than 150,000 fans. Of those, many Winston and Camel adult smokers took advantage of a variety of promotions sold in an RJR tent, located at the main gate entrance.

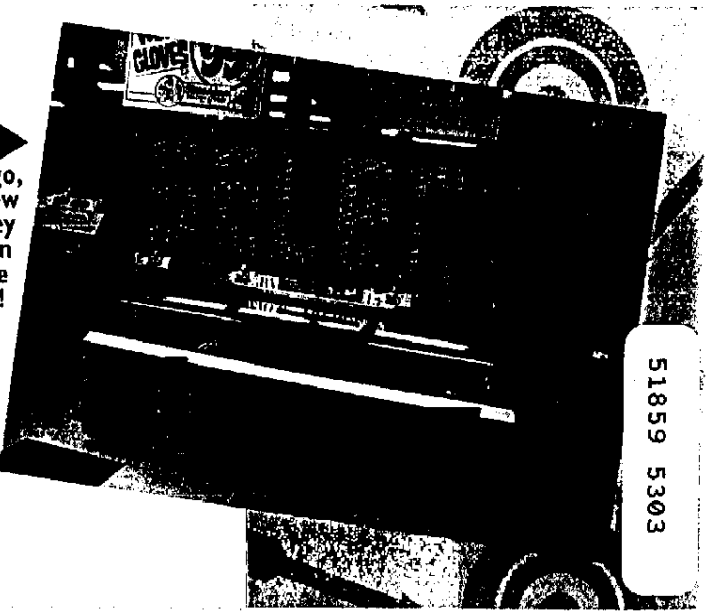
During the week-long event, 61 additional cases of product were sold, 53 banners were placed around the 15-acre site, and 15 ground mounts and 10 pole mounts were set up.

For three years in a row, Philip Morris and B&W desperately have tried to gain a foothold at this event. But, every year, Sweeny's efforts have outsold them, while continuing to maintain RJR advertising and brand selection.

Guess it's time PM and B&W starting singin' a different tune!

SELECTive Presence ▶

Cindy Braley, retail representative in the Fargo, N.D., division, has taken creativity to a new level. At Simonsons in Dickinson, N.D., Braley spelled out her presence with a 384-carton Winston Select B5G5F product display she designed and set up herself. Great job, Cindy!



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Banner Days in North Dakota

Area Sales Representative Brenda Coleman, in the Fargo, N.D., division, stands proudly behind one of many eye-catching Winston Weekends banners she placed throughout her assignment. Coleman also made sure plenty of Weekends catalogs were readily available in her calls, using the new catalog display with twinkling lights. Nice job, Brenda!

Georges Mobil Benefits From Saturday "Sales Savvy"

When Philip Morris' van parked itself in Sales Representative Diana Escher's territory, Escher's own "wheels" began spinnin'! She coordinated her own business-building initiatives with the Grand Opening Celebration of Georges Mobil in Williamsville, N.Y. This gave Escher the perfect opportunity to convert competitive adult smokers and build business for both RJR and Georges Mobil. When a competitive adult smoker approached the store, Escher offered the smoker two free packs of Winston Select or Camel Special Lights for their current competitive pack (full or not).

Inside the store, Escher packed premiums with one, two, or three packs. This allowed the new "loyal RJR" smokers to take a gift home. Escher also congratulated franchise smokers on their "wise" choice and informed them about new deals. Everyone was given information on Winston Weekends and Camel Catalog Four, and all Camel smokers were directed toward the Camel Lotto poster for information on the Camel Cash Lotto Program.

"And, if you send this half to the company, they'll send you lots of free stuff!" Sales Representative Diana Escher, of the Buffalo, N.Y., division, converts adult competitive smokers with sales savvy.

Escher proved she was an RJR woman with a mission. In a short five-hour span, Escher handled more than 50 competitive Consumer Missions and handed out free-pack coupons to loyal RJR smokers.

RJR Takes Boone's Barn By "Storm"

Area Sales Representative Dot Rogers, Columbia, S.C., division, set up the Winston Weekend Van outside Boone's Barn in Winnesboro, S.C., and sold RJR product up a storm.

She pre-booked 145 cartons of Winston, 75 B5G5F cartons of Winston Select, 390 cartons of Doral (banded with 390 free cartons), and 60 cartons of Sterling (banded with 60 free cartons).

The week before the event, Rogers posted promotional advertisements in the store's window, as well as promoted the event on the entrance way to the Barn. Inside the store, Rogers set up a Winston carton floorbase display and a dump bin display each for Winston, Winston Select, Doral, and Sterling.

As adult customers entered the store, Rogers informed them about special cigarette prices and free gifts with purchase. Thanks to cooperative efforts between Rogers and Boone's Barn, RJR took Winnesboro by storm.

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Source: https://www.industrydocuments.ucsf.edu/docs/tqfn0000

ON TARGET

Wingfield, Kielty, Cook Stimulate Sales with Winston Simulator

The Winston Simulator has been makin' tracks in volume-building—from Dixieland up into upstate New York.

At Camp Lejeune in Jacksonville, N.C., the Winston Cup Simulator made Military Sales Manager Randall Wingfield, of Fayetteville, N.C., the "champion" in front-end merchandising. Wingfield outsold competitors with front-end merchandisers and fixtures that had RJR's full-price guns blazin'.

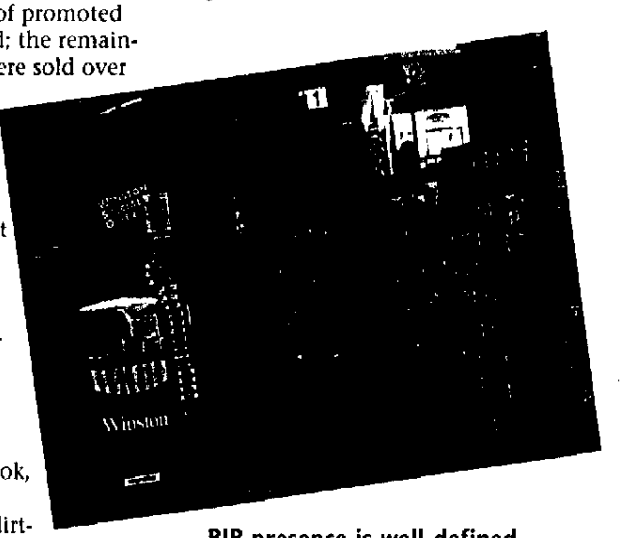
Wingfield acquired nine display toppers, as well as the top three rows of package display space. Plus, the 500-carton Winston display with pasters, coolers, T-shirts, and caps resulted in 150 carton sales through pack promotions.

Area Sales Representative Brian Kielty, of the Raleigh, N.C., division, used the Winston Simulator to sell additional volume in his division.

Linking a K-Mart Grand Opening with a scheduled stop of the Winston Simulator, Kielty sold and displayed more than 300 extra cartons of Winston with about 240 premium items. During the one-day event, more than 180 cartons of promoted Winston were sold; the remaining 120 cartons were sold over the weekend.

In upstate N.Y., the Winston Simulator was just the ticket—the dirt ticket, that is—for leveraging the Winston brand with both key customers and adult consumers.

Chain Accounts Manager Bruce Cook, of Syracuse, N.Y., cashed in on the dirt-racing crowd by using the Winston Simulator for 20 days in 1993 to promote Winston racing. By year's end, Cook secured 23 chains with more than 1,000 stores and gained exclusive RJR distribution and advertising with tie-ins to 18 tracks. In addition, 586 cases were sold to support track distribution and promotions. STN



RJR presence is well-defined by Randall Wingfield at Camp Lejeune outlet.

McGovern, Pinney Initiative Whets Northampton's Appetite for Camel, Winston

Adult smokers in Northampton, Mass., got a "taste" of RJR determination at The Taste of Northampton Festival.

The event drew 105,000 people. But, two days before the event even got underway, Training and Development Manager Mitchell McGovern, of the North Boston chain division, and Area Sales Representative Edward Pinney, of the Springfield, Mass., division, began "cookin'." McGovern and Pinney placed 20 additional temporary displays, delivered 407 cartons of Camel and Winston Select product in 17 stores, and placed an additional 69 pieces of promotional material.

These efforts, undertaken totally on their own initiative, did not go unrecognized by RJR or Division Sales Manager Dave Keeney. "The sales and placements gained during this event are impressive for a self-initiated promotion," said Keeney. "I'm sure these efforts will go a long way in securing volume and presence for RJR," he added. STN

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Nunn Charts Course for Success

Area Sales Representative Steve Nunn and Parade News Owner Barbara Neff sail into success with RJR full-price and Savings brands.

Area Sales Representative Steve Nunn, of the New Haven, Conn., division, saw the two-day New London Sail Fest as a "watertight" opportunity to promote RJR brands and convert competitive adult smokers.

In one afternoon, Nunn proved that making consumer offers was "a breeze." Working with Barbara Neff, owner of Parade News, Nunn anchored the number one spot in the store. He set up displays, promotions, and advertising throughout the entire front window of the store, which is located on Captains Walk in the heart of the Sail Fest activities.

Because of his efforts, 54 competitive adult smokers switched to RJR brands and Parade News sold 270 RJR full-price cartons, plus 120 RJR Savings brand cartons.

Winston Drives Store Sales Up

By combining the Winston Cup Simulator and the Winston show car with a stimulated sales team, the Columbia, S.C., division set track records in store sales.

In recent store sales, Sales Representatives Dot Rogers, Debbie Baker, Tom Boan, Robin Bowling, and Andy Slaughter packed their vans with Winston signage and premiums, and left the competition back at the start line.

Winston product sales totaled 1,652 cartons. In addition, this hard-drivin' sales team handed out 564 radio/coolers, 593 Winston caps, 491 NASCAR drivers posters, 55 T-shirts, and 48 tumblers—for deals totaling 1,751.

Stores that participated in the program report that they did "three to four times their normal business in all areas, including RJR cigarette sales."

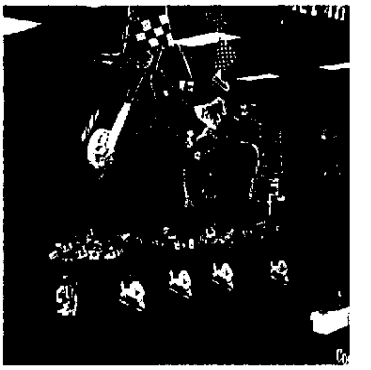
Shreveport Reps Kick Start Special Lights

Area Sales Representative Jimmy Richardson and Sales Representative Evan Kelley, of the Shreveport, La., division, "kick started" Camel Special Lights by joining with local retailers and motorcycle shops to create impressive displays.

The promotion was targeted to several high-volume outlets around Monroe, La., where the representatives pre-booked 200 cartons of Camel product to each store. They solicited the cooperation of local motorcycle dealers who put up thousands of dollars in free merchandise and the motorcycles to include in the displays. The promotion was an outstanding success thanks to cooperation by all parties. RJR, the retailers, and adult smokers all came out winners. Plus, the motorcycle dealers reported some extra sales as a result of their exposure in the displays.

Richardson and Kelley have proven that a little imagination and creativity, coupled with a good nose for co-marketing business, produce results.

Co-marketing put Camel Special Lights on a fast track in the Shreveport, La., division.



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ON TARGET

Winston Warriors on the Attack for Full-Price Sales

Hemingway's efforts fit retailers to a "T."

Part of a Local Performance Award contest, in the Flint, Mich., division, was to develop an attack plan for the Winston Summer Promotion and place a maximum number of displays in a designated time period. Area Sales Representative Nancy Hemingway and Promotional Specialist Tammy Anderson, also known as the "Winston Warriors," took the challenge. And, when the smoke settled, the competition surrendered.

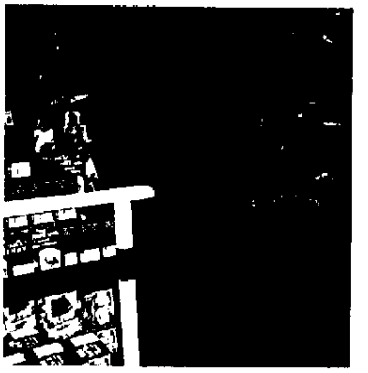
"First, we inventoried our POS, displays, banners, etc., and assigned material to each store prior to the program," Hemingway stated. "Second, we devised a goal placement report. By using this report, it enabled us to designate all allocated materials and to simplify our daily activities. Third, we had a master schedule, so we knew what calls to make when and what materials were needed," she added. Detailed progress reports were kept each week, plus photographs were taken for "sharing our works of art."

They had 110 calls that accepted the Winston Summer Promotion—55 percent were chain calls and 45 percent were independent calls. Plus, in a two-week period, they placed 85 displays and 790 pieces of POS. STN

Team Effort Effective in N.Y. Resorts

Working in three teams of two, the Syracuse, N.Y., division had adult smokers "checking out" RJR brands in more ways than one.

In an extensive resort area in the northern part of the division, these teams successfully placed 384 pieces of POS, PDI, and banners. In addition, they sold 142 temporary displays, featuring 3,140 offers. They also sold RJR fixtures in two high-volume locations. STN



Camel brands are prominently displayed in N.Y. resort outlets.

Providence Rep Has PM Barking

Mike Garry, area sales representative in the Providence, R.I., division, wasn't content to let sleeping dogs lie at the Plainfield Dog Track in Plainfield, Conn.

For months, this track had been "paying off" for Philip Morris. It had—until Garry sprang out of the chute with merchandisers and fixtures that attracted the attention of 6,000 people daily.

The result: he set track records with promotional exposure, gained distribution of 11 additional RJR full-price brands, plus made Monarch the everyday low-price brand at all track cigarette outlets. Now, he has the competition barking.

After wins like that, Garry may be "dogged tired;" but we think he's right on track and in the money! STN

RJR Presence—Down by the Riverside

There was nothing "shrimpy" about Area Sales Representative Joey Matis' efforts for RJR in Louisiana. This Lafayette, La., division representative "fueled up" to sell RJR products at the annual Shrimp and Petroleum Festival in Morgan City, La.

When a C-store owner asked Matis for help in setting up a booth at the Labor Day Weekend Festival, Matis ordered in 10 cases of RJR product from a local wholesaler and set up the booth with crowd-catching POS.

Thanks to Matis' efforts, RJR dominated the 120,000+ event, while the competition took a "holiday"! STN

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Spot a Bad Billboard, Call Media Department

Due to the recent restructuring of our Media Department, we no longer have regional out-of-home field managers to monitor the placement and maintenance of our billboard advertising.

However, we have more than 2,000 pairs of eyes riding the highways daily, and RJR billboard advertising is noticed by our sales representatives and managers. Nearly 100% of the time, they are correctly placed and maintained. But sometimes, our billboard suppliers get behind on maintenance or simply make a mistake in placing the billboard ad. If you happen to spot such a problem, our Media Department wants to know.

Here are some of the problems you should look for:

- Any billboard you see which is less than 500 feet from a school or children's playground.
- Any billboard in need of repair, i.e., torn or peeling, fading, vandalized, lights burnt out.
- Any billboard with advertising that you feel is significantly out-of-date.

To report a billboard problem, call 1-800-852-8015 and contact the Media Department, Ext. 1486. If no one answers immediately, leave a voice message. Leave your name, division, the city where the problem billboard exists, and the nature of the problem. Also, try to provide an exact location and the name of the billboard company. This usually appears on the pole or frame.

No doubt, ill-kept RJR billboards must be irritating to you when you see them. You know the company is not getting full value for our advertising dollar. You don't have to go out of your way to inspect billboards, but when you see an obvious defect, please report it. You can help assure RJR's outdoor units provide the highest quality consumer exposure for our brand advertising.

SAFETY

Slippin' and Slidin' Away

Hydroplaning's Only Fun at the Park

The trip was a success. You closed the deal. It's been a good day. You're looking for a decent place to eat, any place to get out of this rain. Your vehicle's running fine; and you have both hands on the wheel, because of the rain and the water-soaked highway.

Suddenly, the car begins to float. You get the same feeling when a 757 lifts off the runway. But, you aren't in a 757 and you aren't flying! Floating, yes! But, you have new tires with all-season treads and deep grooves. And all that good engineering that makes them stick. [What did that guy say about wet traction?]

What you've just experienced is hydroplaning. Sounds like it almost ought to be fun, but it isn't. It's surprising, quick, and dangerous.

You can forget about wet traction when tires begin to hydroplane. Wet traction and hydroplaning are opposites when it comes to driving and handling. Wet traction refers to the adhesion of the tire and a wet road surface. No matter how well a tire is designed for wet traction capabilities, hydroplaning can occur under certain conditions and circumstances.

Hydroplaning is the actual lifting of the tire off the road surface, when a film of water builds up under the tire. It is influenced by vehicle speed, the depth of water on the road surface, and the tread design, specifically the amount of void in the tread pattern. Any tread design is a compromise. Because a tire must perform under various situations, there is no "perfect tire" for every application. Tread engineers combat hydroplaning by providing designs that feature wide, straight grooves that run around the tire's circumference and as many "biting edges" as possible in the block pattern. Still, any tire can hydroplane.

Fortunately, there is an easy way to control a hydroplaning tire. When you begin to feel the car "float" on a wet road, simply reduce speed. Hydroplaning occurs most frequently when a car is being driven straight and fast. Decelerating will allow the tires to disperse water more efficiently. Don't react violently by turning the wheel. And, don't apply the brakes or the car may begin to skid. Just gently back off the gas, and you'll feel the tires grip again.

And, there's a good way to avoid hydroplaning in the first place. Don't drive too fast for existing highway conditions in the rain.

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NEWS BRIEFS

NACS Efforts Definitely Up to Par

Recognizing those who believe that business should speak out in the legislative arena, R.J. Reynolds Tobacco Co. has awarded the National Association of Convenience Stores (NACS) its first "Speak Out for Freedom" award.

This award was presented to NACS' Chairman of the Board Jim Yates (center) by Thomas C. Griscom, RJR's executive vice president, external affairs, (left) at the Vantage Senior Golf Tournament in Winston-Salem, N.C. In making the presentation, Griscom said that NACS was unparalleled in its belief and actions that "getting involved in the political process is not only good citizenship, but a critical part of operating a successful business."

Yancey Ford, RJR's executive vice president, sales, (right) noted that NACS has shown a true leadership role against the proposed federal cigarette tax. Its efforts have included sending out more than 14,000 brochures to their membership, mounting a huge letter-writing effort among key employees, and gathering 62,000 signature petitions opposing the tax increase.

Mazzoni Puts Monarch "In Your Face!"

Ask Senior Area Sales Representative Lou Mazzoni, "Where's Monarch?" More than likely his reply will be, "IN YOUR FACE"!

Mazzoni, of the North Jersey division, took on the challenge to establish Monarch in 120 high-volume calls. These were calls where GPC or Basic was the number one selling low-cost cigarette.

For two months, Mazzoni worked his own "Monarch—In Your Face" promotional program. Armed with a load of Monarch product, displays, advertising, and two part-time promotional representatives, he kept the Monarch brand right under everybody's nose.

The result: all 120 high-volume stores are participating in the program. More than 150 dump bins and floor displays have been placed, and have been supplemented with Monarch store front banners. The best part, Monarch is now the number one selling low-cost item in all calls where sales data has been reported.

RJR Shines in Jersey, Marlboro Not "Amused"

In Seaside Heights, New Jersey, adult smokers and Sunshine Amusement Owner David Scott have taken a "shine" to JoAnn Gregario, of the South Jersey division.

Scott reports that the increase in summer business has a direct tie with Gregario's efforts. "She gave us some valuable suggestions on our displays and how best to use our resources," Scott said. "Unbelievably, she has even altered the smoking habits of many of our customers. Patrons who used to select Marlboro have now become regular smokers of R.J. Reynolds brands," he added.

Keep up the great work, JoAnn!

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Hot Tobacco Issues Topic at Rotary Meeting

The potential impact of the proposed F.E.T. increase hit home to Springfield, Ohio, Rotary Club members recently.

Springfield is home to EMRO Marketing, which owns convenience/gas outlets, and Bosart Co., which sells items to convenience stores. EMRO's Senior Vice President of Operations Gary Buroker called his good friend, Region Manager Larry Poole, Cincinnati, Ohio, and asked for a speaker to talk about F.E.T. and other tobacco issues at the Springfield Rotary Club meeting.

Poole lined up Bruce Hennes, based in Cleveland, Ohio, who does political action work for RJR. Speaking before a diverse crowd of business men and women, Hennes addressed the issues head-on and the group got an earful. He attacked President Clinton's Health Care Plan, funded through increased cigarette taxes as, "a chain reaction that would diminish the $14 billion the tax is supposed to raise." He also predicted a potential 12 percent drop in cigarette sales could end up "costing 12,500 jobs in Ohio alone." "The tax amounts to using taxation to alter behavior," Hennes argued, "and that's not what our founding fathers intended."

Hennes dismissed the EPA studies showing that second-hand smoke is a major carcinogen saying, "It's more politics than science." He also stated that RJR does not encourage kids to smoke. "I know you're concerned about young people smoking and about its effect on the health care industry," Hennes told the group. He went on to say that RJR has a variety of programs for schools and retail stores to discourage underage smoking. "Smoking is an adult decision children should not try to make," said Hennes.

"Man of the Year," "Giant of the Industry" Awards Honor Ford

At its annual meeting in New York City, the Tobacco, Confectionery, and Allied Industries Division of the Anti-Defamation League named Yancey Ford as its 1993 "Man of the Year." The award was presented to Ford by Jim Johnston, chairman and CEO, R.J. Reynolds Tobacco Worldwide.

The Anti-Defamation League is an organization dedicated to protecting basic human rights wherever they are threatened or violated. In accepting the honor, Ford praised the work of the ADL for over 80 years as, "a beacon of hope for persecuted people everywhere."

Ford was also honored by the California Association of Tobacco and Candy Distributors as the recipient of that organization's 1993 "Giant of the Industry" award. He acknowledged the vital role of tobacco distributors in the industry and told the association members, "Your business, large or small, is an important link in the distribution network. You have a voice in determining your own destiny."

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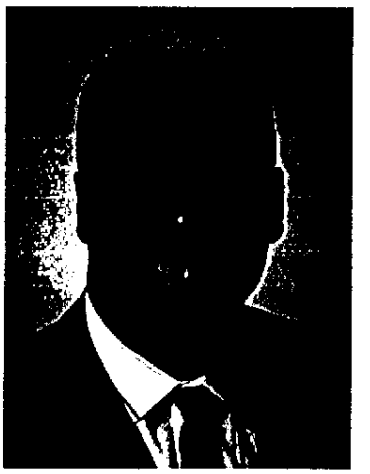
PROMOTIONS & APPOINTMENTS

Driskell Promoted to RM in Dallas Region

Stan Driskell has been promoted to region manager of the Dallas, Texas, region. The announcement was made by Yancey Ford at the National Sales Conference in January.

Driskell joined the company in 1982 as a sales representative in the Charleston, S.C., division. He was promoted to special accounts manager in the Tampa, Fla., division in 1985 and to division manager in the South Atlanta, Ga., division in 1988.

He was appointed sales training and development manager in the Home Office in 1989 and to merchandising manager in 1990. Driskell was appointed to sales manager in the Sales Planning Department in 1992 and assigned to the Vantage, More, Now Business Unit. In 1993, he joined



Stan Driskell

the Sales/Marketing Personnel Department as manager, sales/marketing employment practices, and was appointed assistant region manager in Dallas later that year.

Jim Germanos has been promoted to division manager in the West Chicago, Ill., division.

Germanos joined the company in 1985 as a sales representative in the West Chicago division. He was promoted to special accounts manager in the same division, where he also held the positions of division training and development manager and special resource manager.

Jay Girard has been promoted to chain accounts manager in the Milwaukee, Wis., chain division.

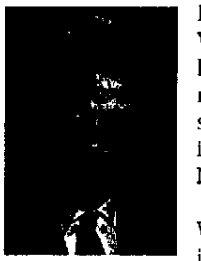
Girard joined the company in 1981 as a sales representative in the St. Paul, Minn., division, where he was promoted to special accounts manager in 1989. He was promoted to district manager of the Madison, Wis., district in 1991.

Jim Perry has been promoted to division manager in the Nashville, Tenn., division.

Perry joined the company in 1980 as a sales representative in the Baltimore, Md., division, where he was promoted to division training and development manager in 1988. He was named assistant division manager in Baltimore in 1991.

David Williams has been promoted to division manager in the West Houston, Texas, division.

Williams joined the company in 1984 as a sales representative in the Jacksonville, Fla., division, where he was promoted to special accounts manager in 1988. He was named division training and development manager in Jacksonville, Fla., in 1989.



Rick Westenberger has been promoted to division manager in the Albany, N.Y., division.

Westenberger joined the company in 1984 in the Queens, N.Y., division. He was promoted to special accounts manager in the North Jersey division in 1987, where he also held the position of division training and development manager.

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Todd McMahon has been promoted to division manager in the Buffalo, N.Y., division.

McMahon joined the company in 1987 in the Youngstown, Ohio, division and was later transferred to the North Pittsburgh, Pa., division. He was promoted to division training and development manager in the Rochester, N.Y., division in 1989.

TO ASSISTANT MARKETING MANAGER

Martha Brady
Savings Business Unit

Michael Duffy
Winston/Camel Business Unit

Marty Owens
Winston/Camel Business Unit

Shevette Winston
Winston/Camel Business Unit

TO PRINCIPLE ADMINISTRATIVE ASSISTANT

Lois Church
Sales Planning & Communications

Carla Davis
Sales Planning & Communications

Pam Settle
Savings Business Unit

Bonnie Tucker
New Product Development

SALES MERCHANDISER

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Group Manager–
Sales Communications.....John Olenick

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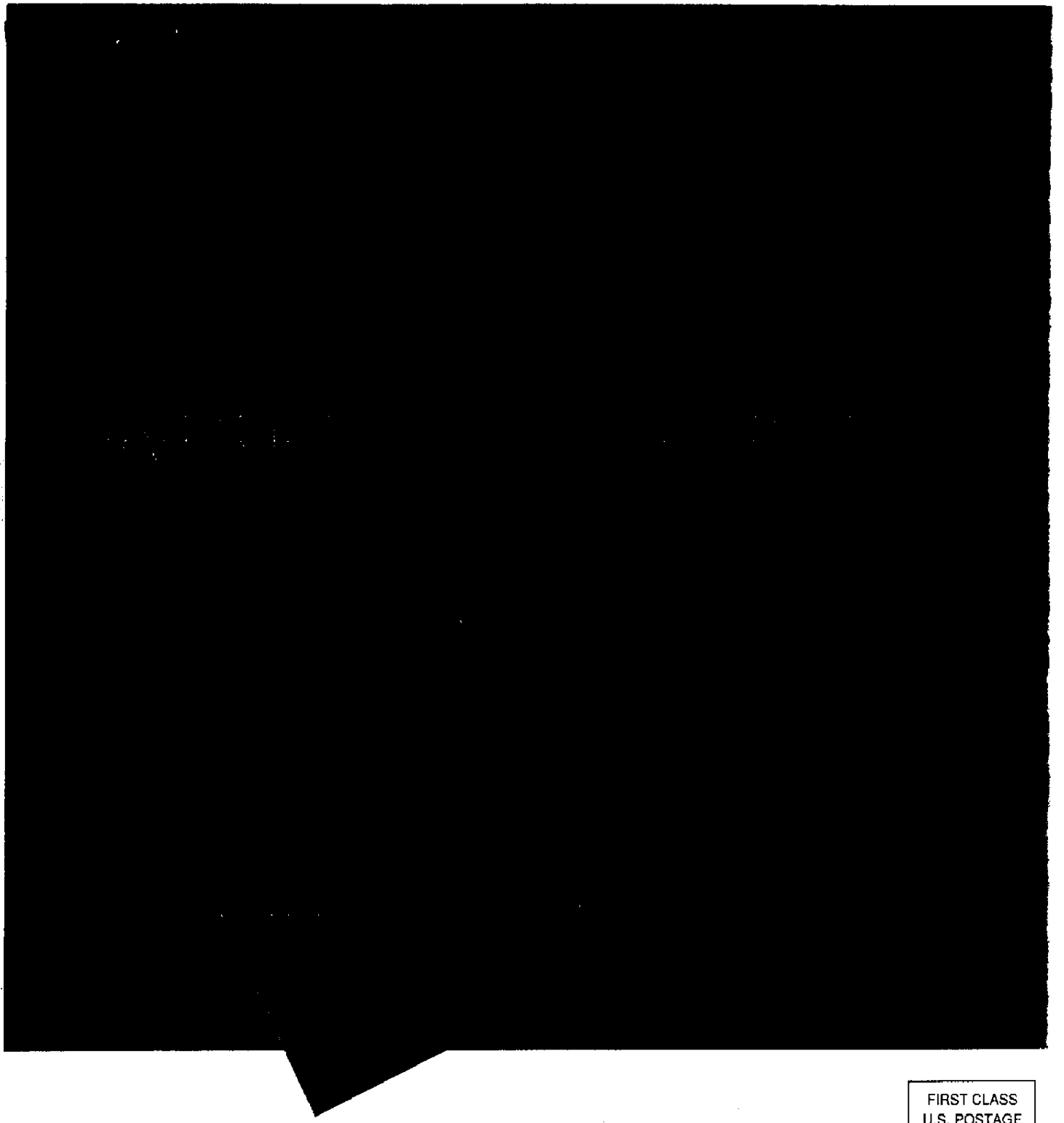

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RJR

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